

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1750
95TH GENERAL ASSEMBLY

4386L.04C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 392, RSMo, by adding thereto one new section relating to exchange access rates.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 392, RSMo, is amended by adding thereto one new section, to be
2 known as section 392.605, to read as follows:

392.605. 1. The general assembly finds and declares it to be beneficial to Missouri
2 **consumers and the competitive market to change historical public policy and bring more**
3 **transparency to rates for telecommunications services by reducing hidden subsidies within**
4 **the intrastate switched exchange access compensation system through the reduction of**
5 **switched exchange access rates paid from one company to another to originate and**
6 **terminate telephone calls.**

7 **2. As used in this section, "composite" shall mean, when referring to intrastate or**
8 **interstate switched exchange access rates, the sum of all of the traffic sensitive and**
9 **nontraffic sensitive tariffed rate elements included in originating and terminating**
10 **intrastate and interstate switched exchange access service, including, but not limited to,**
11 **carrier common line, but excluding any subscriber line charges approved by the Federal**
12 **Communications Commission.**

13 **3. Originating and terminating intrastate switched exchange access rates shall be**
14 **reduced by all incumbent local exchange telecommunications companies, except that the**
15 **provisions of this subsection shall not apply to small incumbent local exchange**
16 **telecommunications companies individually serving fewer than twenty-five thousand access**
17 **lines as of January 1, 2010, and the provisions of subsection 6 of section 392.361 and**
18 **section 392.370 to the contrary notwithstanding, rural alternative local exchange**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 telecommunications companies as defined in this section. Each incumbent local exchange
20 telecommunications company subject to this subsection shall decrease both its composite
21 originating and terminating intrastate switched exchange access rates each year by five
22 percent of the difference, as determined immediately preceding the first reduction required
23 under this subsection, between its composite intrastate switched exchange access rates and
24 its composite interstate switched exchange access rates, such that by December 31, 2019,
25 the originating and terminating composite intrastate switched exchange access rates shall
26 be equal to fifty percent of the difference between the composite originating and
27 terminating intrastate switched exchange access rates and the composite originating and
28 terminating interstate switched exchange access rates immediately preceding the first
29 reduction required under this subsection. The first five percent reduction shall occur by
30 December 31, 2010, and each subsequent five percent reduction shall occur by December
31 thirty-first of each subsequent year thereafter. For purposes of this section, the term
32 "rural alternative local exchange telecommunications company" shall be defined to include
33 only those alternative local telecommunications companies that, as of December 31, 2009:

34 (1) Possess a certificate of service authority to provide basic local
35 telecommunications services issued by the commission;

36 (2) Have tariffs on file with and approved by the commission for the provision of
37 basic local telecommunications services and exchange access services;

38 (3) Provide basic local telecommunications services and exchange access service to
39 at least sixty percent of their local subscribers over distribution facilities connecting end
40 user customers to the central office which are owned by the alternative local exchange
41 telecommunications company. For purposes of this subsection, the ownership of
42 distribution facilities connecting end user customers to the central office shall not include
43 facilities that are leased, such as unbundled network elements, or resold from any other
44 person or entity; and

45 (4) Have more than ninety percent of their total Missouri basic local
46 telecommunications service customers located in counties of the third class.

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